

1 Laura S. Corcoran #028895

Mailing Address:

2 7320 N. La Cholla #154-413

Tucson, AZ 85741

3 TELEPHONE 520.544.9094

FACSIMILE 520.544.7894

MAIL@DCKTRUSTEE.COM

4 Attorney for Dianne Crandell Kerns, Trustee

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7 IN THE UNITED STATES BANKRUPTCY COURT
8 FOR THE DISTRICT OF ARIZONA
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10 In re:

11 BERNADETTE M ROMERO,

12 Debtor
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CHAPTER 13 PROCEEDINGS

Case No. 4:11-bk-19935- BMW

**TRUSTEE'S PLAN
OBJECTION/EVALUATION WITH
NOTICE OF POTENTIAL DISMISSAL
IF CONDITIONS ARE NOT
SATISFIED**

RE: 1st MODIFIED PLAN (DKT #28)

19 DIANNE CRANDELL KERNS, Trustee, has analyzed the above-referenced plan and
20 supporting documents on February 28, 2013 and submits the following evaluation and
21 recommendations:
22

23 **General Requirements:**

- 24 a. Due to the possibility of errors on the claims docket, it is the Attorney's responsibility to
25 review all proofs of claim filed with the Court and resolve any discrepancies between the
26 claims and the Plan prior to submitting any proposed Stipulated Order Confirming Plan to
the Trustee. The Trustee will not recommend confirmation, nor stipulate to confirmation,
until the proof of claims issues are resolved to the Trustee's satisfaction.

- 1 b. Requests by the Trustee for documents and information are not superseded by the filing of
2 an amended plan or motion for moratorium. LRBP Rule 2084-10(b).
- 3 c. The Trustee objects to any reduction in the Plan duration or payout in a proposed
4 Stipulated Order Confirming Plan unless an amended modified plan is filed (using Model
5 Plan Form 13-2) and noticed out.
- 6 d. The Trustee requires that any proposed Order Confirming Plan state: "The Plan and this
7 Order shall not constitute an informal proof of claim for any creditor."
- 8 e. The Trustee requires that any Stipulated Order Confirming Plan state: "Debtor is
9 instructed to remit all payments on or before the stated due date each month. Debtor is
10 advised that when payments are remitted late, additional interest may accrue on secured
11 debts, which may result in a funding shortfall at the end of the Plan term. Any funding
12 shortfall must be cured before a discharge can be entered. This requirement is effective
13 regardless of plan payment suspensions, waivers or moratoriums, and must be included in
14 any Stipulated Order Confirming."
- 15 f. At the time of confirmation, the Debtor is required to certify, via language in the
16 Stipulated Order confirming, that they are current on all payments that have come due on
17 any Domestic Support Orders since the filing of their case and that they are current on all
18 required tax return filings [pursuant to 11 U.S.C. Sec 1325(a)(8), (9)].
- 19 g. The Debtor or Debtor's Attorney is required to provide copies of their federal and state
20 income tax returns for each year for the duration of the Plan to the Trustee. Tax returns
21 must be forwarded **within 30 days after the returns have been filed**. All Personally
22 Identifiable Information must be redacted prior to submission. Tax returns may be
23 submitted to mail@dektrustee.com. This requirement is to be included in the Stipulated
24 Order Confirming the plan. Failure to submit tax returns may result in the dismissal of the
25 Chapter 13 case.
- 26 h. If the Debtor received a tax refund larger than \$1,000 for the tax period preceding the
filing of this case, the continuation of such deduction would constitute a diversion of
income that would otherwise be available to creditors. Accordingly the Trustee requires
that the Debtor (i) adjust payroll tax deductions to prevent over withholding, (ii) amend
Schedule I to reflect the reduced withholding; (ii) submit to the Trustee two consecutive
paystubs to verify said reduction; and (iv) increase the plan payments in the Stipulated
Order Confirming.
- i. If the Debtor is in default (in any amount) on their first mortgage the plan must propose
mortgage conduit payments. If the plan does not propose a mortgage conduit, the Trustee
objects to confirmation. This may be resolved by amending the plan or seeking an order
from the court excusing compliance with the conduit requirement. Standing Order:
Conduit Mortgage Payments (Tucson Division).

1 **Specific Requirements:**

- 2 1. “General Unsecured Claims. Such claims shall be paid pro rata the balance of
3 payments under the Plan and any unsecured debt balance remaining unpaid at the end
4 of the Plan may be discharged as provided in 11 U.S.C. § 1328(a).”
- 5 2. Filed Proofs of Claim. To date the Trustee has noted that the following creditors have
6 filed proofs of claim that differ from the treatment proposed in the Chapter 13 Plan.
7 **Trustee objects to the treatment of these proofs of claim. This objection may be**
8 **resolved by amending the secured/priority treatment to match the proofs of claim**
9 **in the Stipulated Order Confirming the Plan or by filing an objection followed by**
10 **an order:** NONE. This objection extends to proofs of claim, if any, filed after the
11 date of this evaluation/objection which seek treatment different from that provided for
12 in the proposed Chapter 13 Plan.
- 13 3. Unfiled Proofs of Claim. To date the following creditors listed in the Plan have not
14 filed proofs of claims: **NONE**. The Trustee reserves the right to supplement or amend
15 this paragraph.
- 16 4. Plan Payments. The Debtor has made payments in the total amount of \$6,625.00.
17 The Debtor is delinquent in the amount of \$460.00, representing 1 month through
18 February 12, 2013. The Trustee will not stipulate to confirmation unless the plan
19 payments are current. Plan payment information may be obtained by logging on to
20 www.13datacenter.com. In general, the information on this website is 24-hours old.
- 21 5. Plan Duration. In the event that other property is submitted to the Trustee by the
22 Debtor it shall be treated as advance plan payments. Any Order Confirming the Plan
23 must include the provisions that in no event will the duration of the Plan be reduced to
24 less than 36 months, exclusive of any property recovered by the Trustee, unless all
25 allowed claims are paid in full.
- 26 6. Plan Analysis Does Not Match Plan Base. Trustee objects to confirmation as the
Debtor’s plan payments total \$25,945.00, and the plan analysis provides for lower plan
payments totaling \$25,485.00. Trustee will not approve the plan unless the proposed
plan payments and the funding in the plan and analysis match. This objection may be
resolved by modifying the plan so that these amounts match.
7. Liquidation Analysis: At this time the Trustee believes that the plan **does** satisfy the
liquidation analysis requirements. The Trustee reserves the right to amend this
conclusion.

- 1 8. Plan Feasibility. Pursuant to the Trustee's calculations, the Chapter 13 Plan is feasible
2 at this time. However, the Trustee reserves the right to file an amended evaluation
3 requiring adjustments to the terms of the plan, including an increase in plan funding if
4 necessary, in order to address all timely filed proofs of claims once the claims bar date
5 has passed in this case.
- 6 9. Objections to Confirmation. The Debtor shall resolve plan objections by submitting a
7 proposed SOC to the Trustee or by setting a hearing on the objection within 30 days of
8 this objection/evaluation. If the Debtor wishes to confirm by stipulation, the
9 stipulation of the objecting creditor must be obtained in writing prior to submitting a
10 proposed SOC to the Trustee. If the resolution of the objection requires changes
11 which have an adverse impact on any other creditor under the plan (including a
12 reduction in the amount to any creditor and/or a delay in payment), the changes must
13 be noticed to creditors and an opportunity for objection provided. To date the Trustee
14 has noted that the following creditors have filed objections to the Chapter 13 Plan:
15 **NONE.**
- 16 10. Submission of Proposed SOC. If the Debtor proposes to confirm the plan through a
17 stipulated order on confirmation, a Notice of Submitting Proposed SOC should be
18 filed with the Court, including a complete copy of the Proposed SOC as an exhibit.
19 The Notice, SOC, and filing receipt may then be transmitted to the Trustee via
20 electronic mail (mail@dcktrustee.com) or first class mail. The Trustee will not review
21 a proposed SOC if it does not appear on the court's docket.¹ The Trustee considers
22 the time for reviewing a proposed Order pursuant to Rule 2084-13(c), L.R.B.P., to
23 begin running when all Recommendation conditions are met.

16 RESPECTFULLY SUBMITTED this 7th day of March 2013.

17 OFFICE OF THE CHAPTER 13 TRUSTEE
18 7320 N. La Cholla #154-413
19 Tucson, AZ 85741

20 By /s/ Laura S. Corcoran #028895
21 Laura S. Corcoran
22 Staff Attorney for the Chapter 13 Trustee

22 A copy of the foregoing was filed with the
23 court and a copy, together with a receipt of filing,
24 was transmitted via electronic or first class
25 mail this 3/7/2013 to:

26 ¹ The alternative to stipulated confirmation is setting a contested confirmation hearing before the judge.

1 BERNADETTE M ROMERO
2 PO BOX 86533
3 TUCSON, AZ 85754
Debtor

4 DANIEL J RYLANDER
5 DANIEL J RYLANDER PC
6 2701 E SPEEDWAY BLVD
7 STE 203
TUCSON, AZ 85716
Attorney for Debtor

8 By: NC

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